

South Carolina Board of Economic Advisors

Statement of Estimated State Revenue Impact

Date: January 31, 2007

Bill Number: S.B. 67

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Committee Requesting Impact: Senate LCI

Bill Summary

A bill to amend the Code of Laws of South Carolina, 1976, by adding Section [40-59-35](#), to prohibit a person from engaging in the business of residential heating and air conditioning contracting unless licensed as a residential specialty contractor; to prohibit providing a potential buyer a proposal for sale or installation of residential heating and air conditioning, other than a written estimate, before the specifications for the system have been reviewed and approved by a licensed employee of the retail seller, or the retail seller; to further specify contract requirements for the sale and installation of a heating and air conditioning system; and to authorize the Department of Labor, Licensing and Regulation (LLR) to promulgate regulations establishing a civil penalty for violations.

REVENUE IMPACT ^{1/}

This bill is not expected to have an impact on state or local revenues in FY 2007-08.

Explanation

This bill sets specific contractual requirements for certain specialty contractors. Primarily, the bill requires that specifications for installation of a heating and air conditioning system must be reviewed and approved by a licensed employee of the retail seller, or the retail seller, before a contract offer to sell or install such equipment is provided to a buyer. The bill also provides that willful violation of a cease and desist order by such contractors is subject to prosecution in the court of common pleas under Section 40-59-210(B).

Based on information provided by LLR staff, injunctive relief for willful violation of a cease and desist action is rarely pursued in circuit court. Most actions are resolved by LLR in actions filed with an administrative law judge. Since a maximum civil penalty of \$2,000 applies to either course of action, providing for prosecution under Section 40-59-210(B) merely enhances the scope of enforcement options available to LLR under Chapter 59. As it is unlikely that a civil penalty would stem from a circuit court order, this bill is not expected to have an impact on state or local revenue distributions from applicable court fines and assessments in FY 2007-08.

Analyst: Di Biase

/s/ William C. Gillespie

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^{1/} This statement meets revenue impact requirements of Section 2-7-71 for a state impact by BEA, Section 2-7-76 for a local impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by Office of Economic Research (OER).